

# Peel & Holland

Insurance ■ Risk Consulting ■ Employee Benefits

March 23, 2017

Ms. Jessica Annis  
Hardin County Schools  
65 W.A. Jenkins Road  
Elizabethtown, KY 42701

## RE: 2017-2018 Insurance Renewal Recommendation

Dear Jessica,

I received the Property & Casualty insurance renewal indications from Curneal Hignite for the 2107-18 policy renewal. Although these are not all final quotes, they have given me the insurance companies' commitment the renewal will be in this range. After my review, I recommend not bidding and renewing with the existing carriers.

Liberty Mutual's pricing on the property, liability, auto and umbrella is up 2.5% at an estimated \$789,500 (approximately \$19,000-\$20,000). Your worker's compensation carrier, Kentucky Employers Mutual Insurance (KEMI) has provided a firm quote. Their renewal rate has no increase (although the experience modification is up 1 point). However, KEMI has requested we increase the payrolls this year to match the 2015-16 payroll audit. The 2015-16 audited annual payroll was \$82,396,166 and will increase your premium to \$429,085.39 (additional \$14,245.09). The Treasurer Bonds are all the same premium as last year.

For your and the Board's information, I am expecting average increases on the non-workers' compensation lines to be in excess of your 2.5%. Auto/fleet coverage continues to be very problematic for Liberty Mutual, as well as most insurance companies across the country which I expect continued and more dramatic increases in the future. Market conditions for workers' compensation continue to be good, and your renewal is what I expect on average across the state.

Having this perspective of general market conditions, I feel the renewal premiums offered by Liberty Mutual and KEMI are very fair. Both of these carriers continue to be market leaders in providing the best terms and conditions along with competitive rates. With all of this in mind, I recommend remaining with the existing carriers.

As always, it is a pleasure to serve you and the Board. If I may be of further assistance, please do not hesitate to contact me.

Sincerely,



Keith B. Riley, AAI, CWCA  
Licensed Insurance Consultant

KBR/dld

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